

A Study on the Application of Laozi's Thoughts on Educational Leadership and Management

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This paper attempts to apply historical methods to help understand the relationship between the philosophy espoused in the works of Laozi or Tao De Ching and educational leadership. The objective is to study the thought of Laozi regarding leadership, to identify ideas and solutions that can be applied in modern educational management, as well as to provide a new definition and values to the ideas of Laozi. Laozi lived in ancient times, meaning that the works describing his thought are difficult to understand. The present study is primarily based on English sources written on Laozi by Ju-Chou Yang and on the commentary on Laozi by Bi Wang. Additionally, this article also refers to and compares other comments on the ideas of Laozi regarding management. This study finds that Laozi had varied ideas on management and philosophy. Laozi's views regarding organization are still relevant today. He stressed flexibility and the importance of adapting to the environment. As regards leadership, Laozi emphasized non-action, softness, humility, calmness and the elimination of desire. Furthermore, in his art of employment, Laozi insisted that leaders must overcome their personal likes and dislikes in relation to individuals to ensure the full utilization of their potential.

Key words: non-action, softness, humility, calmness, elimination of desire

Introduction

Chinese organizations have always sought to establish local organizational management methods. Since the Chinese people have their own unique traditions and customs, western theories of management do not accurately correspond to the conditions currently prevailing in Chinese

culture. Consequently, this study uses research on Laozi as a basis for attempting to extract valuable wisdom from ancient Chinese thinkers to help enhance contemporary leadership quality. Although some of Laozi's ideas diverge from that of the laymen, they display a detailed knowledge of the world. First, while most people tend to be self-important and to flaunt their own ability or success, Laozi was extremely modest and open-minded, and he did not make a show of his abilities and wisdom. Therefore, in the mind of Laozi a good leader behaves in a gentle or soft manner instead of a forceful or hard one. Softness and hardness are opposite to each other, and it is preferable to behave softly.

Furthermore, national leaders should not compete for benefits with their people, but instead should endeavor to create benefits for them. Such concern with the people can

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be illustrated by Laozi's words: "The rivers occupy the downward position and serve as the reservoir of all the waters"(Ch66). Therefore, it can be concluded that leadership and management in China cannot depend simply on the outstanding abilities of leaders, but also on their virtue and ability to coordinate, which can be regarded as an art. Laozi said: "If Tao can be defined, it would not be an everlasting TRUTH"(Ch1).

Organizational management involves considerable coordination of inter-personal relations. Tao or the way of personal relations is a principle that enterprises can adopt from Laozi in managing employees. Laozi believed that one should not judge a person by his exterior, but also attempt to understand him from the inside. Laozi said markedly: "Those who comprehend Tao would appear as foolish. Those who are advancing towards the knowledge of Tao would appear to be retreating from it. Those who do not know what Tao is yet would appear to be very wise and knowledgeable"(Ch41). Laozi's words were extremely inspiring and helpful to managers, since an enterprise can suffer irreparable damage if the leader or manager employs people based simply on exterior perceptions. Standards are created by humans, and they frequently have a strong subjective tendency. Thus, he said: "When the world recognizes a thing as being beautiful, it would have to also reveal ugliness; When the world regards some thing as good, evil would also appear evil"(Ch2).

According to Laozi, it would be best to identify qualified people and employ them. However, personality, intelligence, interests, conduct and motives vary among individuals, or as Laozi put it: "Those who comprehend Tao would appear as foolish. Those who are advancing towards the knowledge of Tao would appear to be retreating from it. Those who do not know what Tao is yet would appear to be very wise and knowledgeable"(Ch41). Laozi did not deny that people from different levels understand and practice Tao differently, but sees no need to establish standards for helping people. Wu (1994) noted that it is impossible to help all individuals impartially once standards are set, and similarly Laozi said: "Thus, truly good men wish to save others and spurn no one"(Ch27). Once standards are set, there will be the so-called good and evil, and right and wrong. Some people will be valued while others will not.

Everyone has their own merits and shortcomings, and no individual is perfect. As an organizational manager who

always sees various people, one must discard personal opinion in order to accept people the way they are, accept the diversity of people's personalities and employ them in the right position. Besides accepting that people have diverse personalities, it is important to overcome personal likes and dislikes when making hiring decisions.

Laozi's Vision of Leadership

The scientific investigation of organizational leadership has been the focus of both theoretical and empirical analysis for over a half century (Bass, 1990a; Bennis & Nanus, 1985; Burns, 1978; Hollander, 1978). Geneen (1984), once the head of International Telephone and Telegraph Corporation (ITT), believes that although students with management training and education have knowledge of calculating and computing, they should be considered "rudimentarily trained management personnel" rather than leaders. Leadership is subjective, and so difficult to define that it is difficult to judge using an objective standard. Thus, according to Geneen, leadership is perceived but not expressed verbally (Geneen, 1984). To Geneen, provided individuals who have never been tested by real experiences cannot understand the difference between theory and reality regardless of how much management education they have (Geneen, 1984).

Since the environment is variable, theories should be modified according to the circumstances before being applied. Western leadership scholars have studied the properties of leadership and identified what makes a successful leader, but have not reached any agreement regarding this issue. The lack of agreement regarding this issue has prevented any absolute rules from being established. Therefore, Geneen disagrees with the saying that leaders are born (Geneen, 1984). In his mind, he sees leadership skills as something that can be learned, and though it is difficult to explain exactly how an individual can learn to be a leader, such skills can be learned through everyday life experiences. Essentially, leadership is based on the personality and character of the leader (Geneen, 1984). Similarly, according to Laozi, Tao describes the fundamental principle of leadership, namely non-action, softness, humility, calmness and the elimination of desire. These are thus the core of Laozi's idea of leadership.

The Theory of Non-Action

Laozi said: “The rivers and seas are considered the “lords of all waterways”, since they occupy the downward position and serves as the reservoir of all the waters” (Ch66). Wu (1994) explained this quote as follows: “An ideal ruler only allows his people to acknowledge his existence and not their relations to him, leaving people free to run their own lives. A good ruler conducts and sets up a system of government, fairly and systematically. Such a ruler serves his people and is accessible to and praised by them. A poor ruler depends on laws and punishment. His people obey him out of fear. The worst ruler deceives and persecutes his people, and makes his people risk danger in rebelling against him, out of desperation.”

Leaders of organizational management must lead through non-action rather than action. If leaders create a good working environment and atmosphere for their employees, employees will complete their tasks on their own initiative instead of being driven by pressure from their leaders. Thus the best leadership is that which, by non-action, enables leaders to achieve their objectives while enabling employees to believe that achievements derive naturally from them. The following quote from Laozi illustrates this: “The superior government practices the politics of non-interference; teaches without harshness; meets the wishes of the multitude; and the people who are being governed feel as if there is a spontaneous government” (Ch17).

From the perspective of management, the main task facing leaders is to keep enterprises running smoothly while their employees serve in positions that suit their abilities but do not make them feel led. “Showing off, self-justification, self-righteousness and self-importance” are not necessary for leaders, as they bring only losses and no gains. Thus, Laozi said: “Those who raise themselves on tiptoes cannot stand firm! Those who walk with leaping steps cannot travel far. Those who are complacent will not be enlightened. Those who are self-righteous will not be illuminated. Those who are assertive will not be honored. Those who make self-claims do not have ability” (Ch24). The merit of the leader doing less work is attributable to work-specialization. Given that leaders have limited ability, intelligence and knowledge, they should be aware of making the best use of maximize the talents of employees to achieve organizational

goals. Since leaders have limited intelligence and energy, they should value these resources. Leaders properly valuing such resources can significantly and positively affect enterprises in the areas of cost-reduction and the use of manpower. Laozi demonstrated the above point by saying: “Wish liberality yet abandon frugality. Wish achievements yet abandon humility” (Ch67).

Softness

Laozi believed that the soft and weak can overcome the hard and strong, and used water as an example owing to it possessing three important qualities: Water benefits and does not compete against all other life forms, and also yields to all life. Laozi observed that the reverse occurs when reaches its zenith, saying: “When a man is alive, he is weak and soft; when a man is dead, his body is hard and stiff” (Ch76). From this we can conclude that nothing always remains strong or weak, because the strong weaken and eventually die, while the weak grow strong. The soft and the weak are opposite to the hard and the strong.

According to Laozi, it is preferable for a leader to act softly rather than in a hard manner. Although the leader is authorized by the enterprise, it is not sufficient for to make employees obey by virtue of this authority. A leader should use their authority to require employees to perform certain actions. However, their authority must be used to an appropriate extent. The improper use of authority can lead to adverse sentiments. The authority granted to the leader is just one among the numerous requirements of a good leader; with others including leadership style or the art of leadership. The softness concept developed by Laozi contains an in-depth understanding of the art of coordination. Leaders should accommodate themselves to those they encounter, that is to say, they should act softly in dealing with people, and should not stubbornly persist in expressing their opinions. The authority of the leader makes employees obey but does not genuinely convince them of the leader.

The true authority of the leader is based on employee support. It becomes difficult for the leader to lead if employees withhold their support. Therefore, leaders should exploit their influence and lead using their charisma. According to Geneen, none of his own employees felt the need to perform outstandingly because they felt compelled

to do so by him. They did so because the performance level of his own employees was driven by the competition among themselves rather than by compulsion from him (Geneen, 1984).

Humility

Laozi said: "The rivers and seas are considered the lords of all waterways, since they occupy the downward position and serves as the reservoir of all the waters" (Ch66). His words indicated that humility is the main requirement for leaders in running an enterprise efficiently. Laozi demonstrated this with an example: the sea is located in a position lower than the valleys, therefore, all rivers flow towards the sea through valleys, and this makes the sea the master of valleys. Humility is important to leaders because talented individuals will only be convinced by and agree to serve a leader who treats them with modesty and respect. Laozi pays considerable attention to convincing others through personal sincerity. The leaders must speak humbly to attract talent to assist in running an enterprise.

Second, the leader must place themselves in the position of their employees before standing before them. Leaders and employees are inter-dependent, and share a common interest rather than pursuing opposing aims. Employees will willingly work themselves to exhaustion for an enterprise if they believe that their leader truly has their interests at heart. On the other hand, if employees perceive that their leader treats them merely as tools and exploits them, they will lose their motivation and approach their work in a perfunctory manner, harming the interests of the organization. Effective leaders should not rely on their authority to pressure employees, but rather should present a humble face towards employees and prioritize their welfare. Experiencing no pressure from their leader, employees thus perform well in their positions without feeling as though they are being led.

Calmness

Interference from emotions and sensory pleasures frequently prevents people from seeing the true characteristics of things. If leaders resolve to develop from

calmness to purity, this state is referred to as calmness. Organizations experience phases of establishment, growth, vigor and decay, and the Tao of Laozi reflects this cycle in learning common laws based on observation of the cyclic nature of real-world processes. As a leader, only by calmly pondering the cause of an enterprise declining and failing can leaders strengthen an enterprise and ensure its continued survival. Therefore, Laozi argued that leaders will not make incorrect judgments, nor hold biased views, and will remain open-minded to all opinions provided they can remain psychologically calm.

The teaching of Laozi "a leader should treat the needs of others as their own" encourages leaders not to distinguish between themselves and others. Once leaders achieve such breadth of mind, their employees will follow them wholeheartedly. Laozi also said: "The Tao of the Universe is void, the human mind must secure spontaneity, humility and peace; and then, one can observe the cycle of changes in the spontaneous growth of all creations. The multitude of creations is varied and numerous, yet, the world returns to the one common root. Such fulfillment is called "normalcy", the knowledge of "normalcy" is understanding. Lack of Normalcy causes calamities" (Ch16). The failure or success of organizational management strongly influences the individual, organization, society and country as a whole. Therefore, it is crucial for leaders to remain calm and mature. Consequently, the more resources and power a leader holds, the more important for them to lead a simple life and not be influenced by material pleasures. Furthermore, leaders should maintain peace of mind since their words and actions will influence employee survival.

The Elimination of Desire

According to Xunzi, the disposition of humans is detestable. There is thus a risk that humans indulging their dispositions and emotions will produce conflict and strife. On the other hand, management will be impacted if desires are not properly restricted and if they are allowed too much room. Laozi argued that only by eliminating desire and remaining simple-minded can leaders avoid risks. Laozi advised people to cherish their life and not become motivated by desiring fame and wealth. It is unwise for leaders to pursue enterprise success through unlawful

measures or by paying with their lives. Fame and wealth are useless if they come at the cost of life.

Laozi intended to inspire leaders by providing a different perspective, urging them not to seek fame and wealth but rather to development and enrich their inner life. People are frequently motivated by their personal desires to seek fame and wealth, but not everyone can be successful. Leaders should understand that they are no different from other people, since everyone has unique characters, abilities, intelligence, personalities and interests. Therefore, leaders should constrain their actions according to their abilities. Such an approach can help leaders pursue a correct path and avoid paying for the pursuit of power with their lives. Thus, Laozi stated: "Fame or life, which is more precious? Life and property, which is more important? Gain or loss, which is preferred? Inordinate love of worldly things shall result in waste of much energy and time. Overboard shall always result in heavy loss. He who is contented will not suffer disgrace" (Ch44). To Laozi, a leader who makes effective employment decisions is intelligent, and a leader who physically overcomes others is strong. However, these qualities are externally given, and only those who understand themselves and can overcome their desires are truly strong. Therefore, leaders should pursue fame and wealth within proper limits, and should be content with what they achieve.

Laozi disfavours corruption in leaders. Since leaders and followers are inter-dependent, the leader should act as a role model for their employees. Leaders thus should pay special attention to their spiritual life and only enjoy a material life adequate to meet their basic requirements. Employees who imitate the modesty of such a leader will be devoted to their work, while those that pursue material pleasures will be easily corrupted, negatively impacting organizational operation. Thus, followers who are attracted to material pleasures to meet their desires, the negative influence of such desires was vividly described by Laozi, as follows: "Lights and colors can blind the eyes; Sounds can deafen the ears; Flavors can dull the taste buds; The pursuit of pleasures can derange minds; Love for wealth perverts one's conduct" (Ch12). When employees are bright and intelligent as well as cunning and hypocritical, organizational management will experience difficulties. In contemporary terms, Laozi is describing the propensity for conflict between individuals. The tendency of individuals to pursue fame and wealth can

be controlled by emphasizing simplicity in the treatment given to employees and encouraging them to emphasize inner enrichment. Such efforts can create a conducive atmosphere for management.

Conclusion

The core idea of non-action is neither avoiding reckless action nor avoiding all action, but rather involves acting in a manner consistent with nature. Laozi believed that Tao has a fine quality: it benefits organizational operations regardless of whether the leader or employees follow Tao. The operations of organizations which make Tao a goal include the pursuit of both material and spiritual value. Tao provides leaders with a broad perspective. The procedures help achieve management tasks. People are the key problem involved in management: management fails if issues involving people are not properly dealt with, regardless of how good the financial and technological conditions are. People are the core of any organization. Laozi said: "Man follows the way of the earth, earth follows the way of heaven, heaven is governed by Tao, and Tao is spontaneous by itself" (Ch25). Tao is the principle of organizational operation, and the laws of nature should be followed. Laozi's concept of management was based on using the idea of non-action to make management work. Leaders play a central role in management. The practice of non-action, as guided by the Tao developed by Laozi, means that leaders should lead through non-action, softness, humility and calmness, while eliminating their desires. These ideas of Laozi are both soft and flexible.

Leaders personally intervening in every aspect of an organization represent poor leadership. Since the operation of the organization cannot be accomplished by the leader alone, and since the leader has limited intelligence, energy and ability, they should use these resources sparingly and understand how to empower employees to implement tasks having first given guidance. This approach can be termed "non-action". Regarding the softness of the leader, such behavior exhibits flexibility and in-depth coordination. To a leader or a manager, such behavior is particularly crucial, using soft management, to maintain harmony and stability between departments, between departments and individuals, among individuals, and between the enterprise and the

external environment. Such an approach can further enterprise success. As for the importance of humility to leaders, Laozi thought that authority can vary according to circumstances; however, leaders generally follow an incorrect concept in thinking that they enjoy absolute power by virtue of the authority granted to them, and that they can act with impunity.

According to Barnard, authority is provided from the lower levels to the upper ones. Barnard further explains that a leader can have authority only when employees accept their commands (Barnard, 1968). Restated, a leader cannot execute their authority without the support of their subordinates. Laozi's concept of humility is profoundly inspiring for leaders, in stipulating that only by treating all people modestly and with respect, can a leader employ talented individuals to help them.

Regarding calmness, given that the environment for operating an organization tends to be complicated and highly competitive, an individual can play a leading role in the market only by establishing a good management and decision-making system and employing the right people in the right positions. When considering these issues, it is necessary to eliminate bias and distractions, achieve mental calmness and concentration, and adopt both subjective and objective perspectives simultaneously. Lastly, regarding the elimination of desire, leaders should strive to reduce costs and increase sales to increase organization profits. Such measures can save enterprises unnecessary costs if the leader restricts his own desires. Furthermore, if employees implement and realize simplicity and are sparing in using organizational resources while still effectively performing their jobs, they can help the firm reduce its expenses on material resources. The leader might be motivated by desire to run or create an organizational management, but it helps the leader to accumulate a respectable sum of resources and reduce costs via sparing use of material resources.

In the course of the development of western theories of leadership, such as "Trait Theories of Leadership", "Behavioral Theories of Leadership", the "Contingency Theories of Leadership" and the "Attribution Theory of Leadership", numerous scholars have been trying to understand the essence of leadership (Robbins, 2001); however, they have not yet been able to every facet or all its complete features. From Laozi's perspective, we understand, on the one hand, what leadership is; and that, on the other

hand, we must learn and try with our whole heart to understand the exact nature of leadership.

As for organization, since Tao is the source of all things in the world, leaders have no alternative but to form their organizations, to allow sharing of work and the specialization of labor. However, organizations should not be overly complicated, and should be sufficiently flexible to adapt to environmental changes. Laozi believed that the shapeless quality which enables water to adapt to all types of environment provides valuable guidance in designing an organization. From "Bureaucratic Structure", "Project Structure", "Matrix Structure", "Freedom of Structure", to "Contingency Structure", the western development of organization models demonstrate that no structure is perfect, and that organizations should adapt to conditions such as time, human affairs and location (Robbins, 2001). Laozi advocates adopting laws and regulations as a last resort, and using these laws and regulations appropriately. Since laws and regulations provide a standard method of controlling behavior, they can become an obstacle for organizational development. Thus, laws and regulations should allow for flexibility.

In relation to employment, Laozi understood that an organization comprises various types of people, and that, though everyone has shortcomings, people can be employed in a position corresponding to their talents. Laozi is wise neither to give up using a person nor to discriminate against individuals, for people have different levels of intelligence, interests, abilities and knowledge, resulting in different degrees of comprehension of Tao. Laozi also learned from his observations that everything has both positive and negative aspects, and the two sides can co-exist and transform into each other. Laozi concluded his observation with words which seem negative but in fact are positive, warning us not to superficially judge people based on their exterior but to seek a deeper understanding of their interior. This idea helps leaders and managers to distinguish talented individuals from others.

Modern governments generally select and employ individuals simply based on the results of tests or interviews. Since they have limited knowledge of the person, problems frequently arise involving the conduct or morality of that individual. Though Laozi believed that everyone should be helped, his thorough understanding of human nature enabled him to analyze both its positive and negative aspects, and

both the exterior and the interior nature of an individual. Analyzing people or individuals in the same way as Laozi did can significantly help an organization in achieving its goals.

Traditionally, leadership is based on authority. However, regardless of how times have changed, the focus of leadership will eventually return to the ideal of humanity, that is, to give weight to a man's inner attributes and passions. This is similar to the concept of the transformational leader in the west, which attaches importance to a man achieving goals via passion. Laozi's concept of leading through non-action is to lead based on a common mission while everyone has responsibilities. The leader's role is limited to encouraging, coordinating and communicating, rather than being merely an authority figure. The leader, then, also achieves organizational goals with their followers. One reason underlying Laozi's idea of leading through non-action is that when a leader cannot manage his employees or followers, then the leader should let nature take its course, i.e., to allow employees to manage themselves. A leader gains respect from employees who submit willingly since they are completely convinced by the leader. A leader's moral virtues and attitude toward an environment make everyone expend effort to achieve common goal.

Leadership guided by Tao, as described by Laozi, is demonstrated by non-action, softness, humility, calmness and the elimination of desire. It can be applied to the creative organizational goals of education. Education can influence generations, is not geared toward generating profit, and its objectives cannot be achieved in a short time. A teacher's behavior and practices influence students; therefore, leaders of educational organizations must create a harmonious atmosphere that allows teachers to be creative and manage classes effectively. Only when students are in an atmosphere conducive to learning can the objectives of education be achieved. Leaders of educational organizations should make full use of their wisdom to inspire both teachers and students. Consequently, such leaders must pay attention to their virtues, and devote themselves to manage by employing humility, calmness, and tact and eliminating their desires.

In Laozi's conception, Tao, though incapable of being perceived by vision, hearing or the other senses, is the principle of the universe. Although thousands of years have

passed, Laozi's idea of leading through Tao is still held in high esteem. This can be observed in the popularity of the works credited to Tao in eastern culture. Because of their adaptability to different contexts and changing circumstances, respect for man's dignity and the art of leadership of individual leaders, Laozi's philosophy is highly valued. According to Laozi, regardless of how leadership theory changes, it will eventually return to care for humanity. This is what constitutes the difference between humans and animals, and is the focus of human leadership. Man's rationality sets him apart from animals. Insofar as the goal of education is to change negative characteristics and develop students in the directions of truth, virtue and beauty, Laozi's idea can be instructive. From the importance placed on the virtues of leaders and the flexible applications of leadership principles to the emphasis on care and attentiveness, Laozi can be seen as brilliant and his philosophies the wisest ways of leading of which humans are capable.

Suggestions

This paper is based on research on Laozi. Readers interested in exploring this area further can refer to the works Zhuangzi, Guanzi, Sunzi in the Records of the Grand Historian, Stratagems of the Warring States; Han Feizi, New Account of Tales of the World and Records of Three Kingdoms, and examine the feasibility of the application of the ideas of Laozi to organizational management (Chen, 1957; Chen, 1993; Zhang, 1993). The ideas of Laozi were implemented in Chinese history during the Han Dynasty, during the well-known Administration of Wenjing. Every theory appears for a reason. Demonstrated by the fact that during the period between the Qin and Han Dynasties, wars significantly and negatively impacted upon social development and caused widespread misery. Peace and stability thus became a priority during this period in response to the decline in national prosperity. Therefore, the ideas of Laozi with his emphasis on peace and non-action were extremely suitable for governors with such a background and were very popular among officials given the difficult circumstances they confronted.

Doubts exist regarding the applicability of Laozi's ideas to management in Taiwan or China. However,

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research on Chinese management philosophy provides many concepts and ideas with benefits for organizational management. Theory X is relatively practical. Theory X argues that the evil desires of humans can create social conflict if not restrained (McGregor, 1985). People can have either virtuous or evil dispositions, and Laozi objects to enlightening evil individuals through propriety and justice. However, in real life, people or employees will simply indulge their own desires if not enlightened by propriety and justice. The contention of Han Feizi that the evil dispositions of humans can be restricted by law is also objected to by Laozi disagrees with. The ideas of Laozi are based on a higher level, and thus Laozi's method of management represents an ideal or perfect state of awareness. Since dispositions vary among individuals, the ideas of Laozi can be applied to those who naturally act properly without enlightenment by propriety and justice, while Xunzi's ideas regarding correcting behavior via propriety and justice can be applied to other individuals, with the force of law stepping in when Xunzi's methods fail. This shows that Laozi's vision of management operates at a higher level than other theorists, a notion which will not be commented on in this article.

Laozi's idea of anti-brightness and anti-know-how has attracted considerable controversy. Particularly with organizational management currently facing drastic competition, those who access information first can pre-empt their rivals and seize opportunities. However, it can also be observed that, in modern society, intelligence has caused craftiness and hypocrisy and organizations are unable to help solve the fierce competition among individuals. Therefore, we should not criticize this negative view of Laozi too harshly. Another controversial theory of Laozi is the idea that the soft and the weak inevitably overcome the hard and the strong. This is arguably the case since there are numerous examples in the real world of the hard overcoming the soft. However, Laozi lived in a time of weak administration. Leaders who tried to suppress the people merely by virtue of their authority would have faced strong resistance. Leaders thus had to use indirect methods to compensate for their weakness. We can draw the conclusion that power or authority has a negative dimension. Leaders require authority, but not absolute power. For employees, it is better to have leaders who lead through their influence rather than through absolute power.

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